Approved For Release 2008/07/14: CIA-RDP80-00810A006100700002-8 CLASSIFICATION **REPORT** CENTRAL INTELLIGENCE AGENCY 25X1 INFORMATION REPORT CD NO. COUNTRY DATE DISTR. №17 March 1955 Austria NO. OF PAGES **SUBJECT** Background Information on USIA's Electric Industries Division (Kabel) NO. OF ENCLS. PLACE 25X1 **ACQUIRED** DATE OF SUPPLEMENT TO INFO. REPORT NO.

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- The main office of the electrical equipment industries division (Kabel) of the Soviet-controlled USIA complex is in the Trattnerhof, Vienna I. The director of Kabel is Sergei Vasiliyevich Gladkiy, who has between 35 and 50 Soviet citizens on his staff. Kabel controls 13 USIA electrical equipment plants, which produce some 130 items ranging from large motors, generators and transformers down to small appliances such as household heaters and batteries.
- 2. The following are the most important plants under Kabel:

	Estimated Staff	Estimated Annual Output in Schillings		
AEG Union, Vienna XXII	600 workers 170 employees	45,000,000		
Afa-Varta, Vienna XXV	300 workers 90 employees	35,000,000 to 40,000,000		
Brown-Boveri, Vienna X	540 workers 160 employees	40,000,000		
C. P. Goerz, Vienna X	400 workers 120 employees	25,000,000 to 30,000,000		
Siemens-Schuckert I, Vienna II	800 workers 315 employees	50,000,000 to 55,000,000		
Siemens-Schuckert II, Vienna XXI	700 workers 195 employees	55,000,000		
Wiener Kabel-und Metallwerke, Vienna XXI	900 workers 350 employees	160,000,000		

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3.	ne estimated total profit for division Kabel during 1954 was 120,000,000 schillings. ne-third of this profit was provided by the Wiener Kabel- und Metallwerke. Afaurta, which has no trouble finding markets for its products, earned 12,000,000 chillings of the profit.							
4.	. The commercial office of the electrical equipment industries (Snabsbytkonton Kabel) is the Ein- und Verkaufsabteilung der Elektroindustrie (EVA), Weachelstrasse I, Vienna II. ³ This office sells products of Kabel and acts as a purchaser for the division in procuring some items. Originally set up at a time when USIA was earning money on the Austrian market, EVA was then empowered to make domestic sales only and there is a standing USIA order that all such sales by Kabel firms should be made through EVA. This order has never been applied effectively; Kabel plants have always been able to conclude deals on their own and, at present, probably do more domestic business on their own than through EVA.							
5.	The procurement activities of EVA include illegal purchases. Much of EVA's activity is devoted to black-market buying.							
6.	Since the promotion of non-Orbit exports by USIA started, in 1954, EVA has also been empowered to promote export sales. The transactions which it can conclude, however, are limited to sales in which payment is made in foreign currency. Should EVA's traders turn up a potential compensation transaction in the course of their promotion, the deal would have to be turned over to the Central Commercial Bureau of USIA to be concluded.							
	Comment. In addition to the firms in paragraph 2 above, the official list of USIA products names the following Kabel firms: Ariadne, Vienna XXI; Elin, Vienna XXV; Eisenbahnsignalwerke, Vienna XX; Osram, Vienna XXV; Haeusermann, Gars am Kamp; and Sichtermann, Vienna XXV.	25X1						
	Comment. Wiener Kabel's high profit is in part attributable to the fact that it sells within the Felten and Guilleaume cartel.	25X1						
	Comment. The firm Elektro-Export, at the same address, is probably a part of EVA. it was either a part of EVA or was another term for EVA. Comment. Approximately 30 percent of the domestic sales of the firm AEG	25X1 25X1 25X1						
	Union go through EVA.	25X1						
1	Comment. The explanation given for this is that the Central Commercial Bureau has the greater market knowledge which is required for compensation trade.							
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	SECRET							
	SECRET-CONTROL							